

**Kiwi
Wealth.**

**Kiwi Wealth
Super Scheme.**



Annual Report

For the Year Ended 31 March 2019

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Welcome to the year that was.



Welcome to the annual report of the Kiwi Wealth Super Scheme. It was a turbulent year for global investment markets as investors swung between optimism and pessimism, but one the Kiwi Wealth investment team had anticipated. See pages 5-14 for the full report.

Uncertain world politics affected global markets

Unsettling events in global politics made share markets jittery over the year – and this was reflected in the ups and downs of how our funds performed.

Uncertainty around Brexit and the United States tariff wars with China provided an unstable backdrop for global share markets, which came to a turbulent end just before the end of 2018.

Markets, however, bounced back in 2019 with a strong performance in assets – partly because central banks around the world made it cheaper to borrow; encouraging growth.

But we were prepared

Our active investment strategy has always been to assume there will be peaks and troughs, but to stay focused on long-term performance. For us that means focusing on diversification (not putting all your investments in one theme or company; to avoid risk), and investing in high quality companies.

We've made some changes to how we display the performance page on our website and the layout of our Annual Statements so that they're easier for everyone to understand.

Responsible Investing in the wake of Christchurch events

In a survey of 7000 Kiwi Wealth customers last year, 86% said they wanted their funds to be invested responsibly.

This was brought even more into focus in March 2019, following the Christchurch mosque shootings. Social media companies came under intense scrutiny as their systems failed to sufficiently prevent or detect footage of the event being distributed.

Though we have always avoided owning “sin stocks” such as cluster munitions, tobacco, and whaling with your money, we don’t believe entire sector exclusions are the most responsible approach to investing.

Like many other wealth providers, we do have investments in Facebook, Google, Twitter and other social media platforms. But rather than immediately divesting our shares after the Christchurch events, our strategy on responsible investing means we are able to take a stand on your behalf.

Two years ago, we signed up with Institutional Shareholder Services (ISS) – who advise investors on how to vote at annual company meetings.

Because major issues often come up for voting, we are able to join other investors in pressuring companies to take positive action on important topics like climate change and governance standards. In late March we also joined with the NZ Super Fund and other Crown Financial Institutions in leading a call for social media giants Facebook, Google and Twitter to take urgent action to combat extremism on their platforms.

So, if you’ve ever wondered if you really have influence on the companies you invest in, or whether you can trust your money manager to prioritise people and the environment as well as profits - happily the answer with Kiwi Wealth is... yes.






01

Details of the Scheme

Scheme name	Kiwi Wealth Super Scheme
Type of Scheme	Superannuation Scheme (including a Legacy Section) and Workplace Savings Scheme
Manager	Kiwi Wealth Investments Limited Partnership
Supervisor	Public Trust
Product Disclosure Statement (PDS)	23 March 2018
Status of the PDS	Open for applications
The latest fund updates for each fund within the Scheme are dated	26 July 2019
The date of the latest financial statements and auditor's report	The Scheme's latest audited financial statements (including the auditor's report) for the year ended 31 March 2019 were lodged with the Registrar on 12 July 2019.

02

Information on contributions and scheme participants

 <p>Total number of scheme participants</p>	 <p>Total number of contributing scheme participants</p>	 <p>Total number of non-contributing scheme participants</p>
<p>463</p> <p>As at 1 April 2018</p>	<p>185</p> <p>As at 1 April 2018</p>	<p>278</p> <p>As at 1 April 2018</p>
<p>461</p> <p>As at 31 March 2019</p>	<p>174</p> <p>As at 31 March 2019</p>	<p>287</p> <p>As at 31 March 2019</p>

Total number of persons who became scheme participants during the year ended 31 March 2019

<p>Transfer from other schemes:</p> <p>02</p>	<p>Other new members:</p> <p>30</p>	<p>Total</p> <p>32</p>
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Total number of persons who ceased to be members of the scheme during the year ended 31 March 2019:

Reason	Number
Retirement	4
Death	1
Other	
Nil Balance	2
Redundancy	0
Resignation	24
Transfers to other schemes (out)	3
Total	34

Scheme participants' accumulations:

	Participants	Accumulation
As at April 2018	463	\$ 65,133,185
As at 31 March 2019	461	\$ 64,781,874

Total contributions received during the year ended 31 March 2019:

Contribution type	Participants	Accumulation
Member	147	\$904,714
Employer or other sponsor	154	\$967,181
Member voluntary additional	45	\$569,813
Total		\$2,441,708

03

Changes relating to the scheme

Changes to the governing document

There were no material changes to the scheme's governing documents.

Changes to other documents

The statement of investment policies and objectives (SIPO) was updated to reflect minor changes on 2 November 2018.

Related party transactions

There were no material changes to the nature or scale of related party transactions for the Scheme. All related party transactions during the year to 31 March 2019 were on an arm's length basis and enacted on normal commercial terms.

04 Other information for particular types of managed funds

The number of scheme participants who made a withdrawal during the year ended 31 March 2019 were as follows:

Withdrawal type	Number of participants
Serious Illness	0
Death	1
Hardship	0
Redundancy	0
Resignation	24
Retirement	36
Transfer (out)	3
Income for Life	10
Total	74

Investment performance (crediting rates) for the year ended 31 March 2019

The below table shows the crediting rate or rates applied to scheme participants balances for the accounting period as at the end of that period. This means the investment returns applied to the particular funds your money is invested into. We also take into account the prescribed investor rate applied to your Superannuation account.

Scheme Investment Fund	10.50%	17.50%	28.0%
Conservative	4.14%	3.82%	3.35%
Balanced	4.34%	4.09%	3.71%
Growth	4.70%	4.50%	4.21%

05 Supervisor's Statement

Public Trust, as Supervisor of the Scheme confirms that:

- All contributions required to be made to the Scheme in accordance with the terms of the governing document have been made.



Corporate Trustee Services
Public Trust

06 Manager's Statement

Kiwi Wealth Investments Limited Partnership, as manager of the Scheme confirms that:

- All the benefits required to be paid from the Scheme in accordance with the terms of the governing document and (where applicable) the Superannuation scheme rules have been paid; and
- The market value of the Scheme property at the end of 31 March 2019 equalled or exceeded the total value of benefits that would have been payable had all members of the Scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 31 March 2019.

07

Changes to persons involved in the scheme

Changes to the directors of the manager

On 1 November 2018:

David Havercroft was appointed as a director.

Changes in key personnel of the manager

On 28 September 2018:

Rob Taylor resigned from his position as General Manager, Operations at Kiwi Wealth.

Penny Hogg was appointed to Head of Investment Operations of Kiwi Wealth.

Changes to the supervisor's board

On 31 October 2018:

Dianne Williams completed her term as a board member.

Simon Craddock completed his term as a board member.

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How to find further information



Further information relating to the Scheme, including financial statements, annual reports, the Scheme's trust deed, and SIPO is available on the scheme register at www.disclose-register.companiesoffice.govt.nz.

The quarterly fund updates, the PDS, and other material information is available on the offer register at www.disclose-register.companiesoffice.govt.nz.

A copy of the information on the offer register or scheme register is available on request from the Registrar of Financial Service Providers. The above information is also available at www.kiwiwealth.co.nz/scheme-fund-documents or on request by contacting us through one of the ways listed on page 13. You can view your monthly online reports and other information about your investment on our website www.kiwiwealth.co.nz.

As the above information is all available on public websites, it is free of charge to access.

You will also be sent an Annual PIE Tax Statement which will include the amount of PIE income attributed to you and the amount of PIE tax paid at your PIR. You will also be asked to confirm your IRD number and PIR. You can obtain general information about us and the Scheme at www.kiwiwealth.co.nz.

09

Contact details and complaints

Contact us

We'd love to hear from you, if you'd like to talk to us about the Kiwi Wealth Super Scheme you can contact us or the Kiwi Wealth Super Scheme Customer Services Manager:

**Online:**

www.kiwiwealth.co.nz

**Call:** 0800 427 384

during normal business hours



Email: questions@kiwiwealth.co.nz

**Write to:**

FreePost 210729

Kiwi Wealth Investments Limited

Partnership

PO Box 50617

Porirua 5240

**Attention:**

Kiwi Wealth Super Scheme Customer Services Manager

How to complain

You can lodge a complaint with us or the Kiwi Wealth Super Scheme Member Complaints Officer:

**Online:**

www.kiwiwealth.co.nz/feedback

**Call:** 0800 427 384

during normal business hours



Email: questions@kiwiwealth.co.nz

**Write to:**

FreePost 210729

Kiwi Wealth Investments Limited

Partnership

PO Box 50617

Porirua 5240

**Attention:**

Kiwi Wealth Super Scheme Member Complaints Officer

We are a member of the Insurance & Financial Services Ombudsman Scheme (IFSO), an approved dispute resolution scheme. If you have complained to us and you have reached the end of our internal complaints process without your complaint being resolved to your satisfaction, the IFSO may be able to consider your complaint. Other criteria must also be met.



Call: 0800 888 202



Email: info@ifso.nz



Fax: (04) 499 7614



Write to:

Insurance & Financial Services
Ombudsman Scheme
PO Box 10-845
Wellington 6143

The IFSO will not charge a fee to any complainant to investigate or resolve a complaint.

You can also make a complaint to Public Trust:



Call: 0800 371 471
during normal business hours



Write to:

General Manager
Corporate Trustee Services
Public Trust
PO Box 5067
Wellington 6145

Public Trust is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited (FSCL). If your complaint to Public Trust has not been resolved you can refer it to FSCL.



Call: 0800 347 257



Write to:

Financial Services Complaints Limited
4th Floor, 101 Lambton Quay
PO Box 5967
Wellington 6145

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.